Foreign CROPS AND MARKETS

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PORTUGAL'S TOBACCO
IMPORTS UP SLIGHTLY

Portugal's imports of unmanufactured tobacco increased to 5.5 million pounds in the first 6-months of 1958, from 5.3 million in January-June 1957. Imports from the United States, at 3.0 million pounds this year, were only a little below the similar period a year ago, but remained well below first half 1956 purchases of 3.8 million pounds.

Most of the increase in total import trade was accounted for by the rise in purchases from Italy--.7 million this year compared with .5 million during January-June 1957.

TOBACCO, UNMANUFACTURED: Portugal, imports by countries of origin, January-June 1956-58

Country of origin	January-June		
	1956	1957	1958
	1,000 pounds	1,000 pounds	1,000 pounds
United States	3,807	3,062	3,000
Rhodesia-Nyasaland	238	306	245
Greece	807	761	791
Italy	183	465	668
Angola	216	306	179
Mozambique	106	64	90
Other	276	340	525
Total	5,633	5,304	5,498

Source: Boletin Mensal do Instituto Nacional de Estatistica.

FIRST BURLEY AUCTION
HELD IN SOUTHERN RHODESIA

The first auction sale of South Rhodesian Burley tobacco was held in Salisbury recently. The small experimental crop of 32 thousand pounds was sold at an average price equal to 19.2 U.S. cents per pound. Growers and buyers were moderately satisfied with sales results and growers stated that they had learned much about proper handling of this type.

The significance of Burley production in the Federation of Rhodesia and Nyasaland is well recognized there, and it is considered a possible alternative export crop for flue-cured tobacco. As Burley and flue-cured are grown on soils of differing qualities, Burley production could be somewhat of a complementary rather than a competitive crop.

U.S. LOSING GROUND IN WEST GERMAN TOBACCO USINGS

In 1957, the overall share of U.S. leaf in the tobacco used in West German cigarettes amounted to 41 percent, compared wth 60 percent in 1950.

The trend toward increased German use of non-U.S. cigarette leaf, including oriental, has become especially pronounced in the past 2 years. Although on an absolute basis, due to rising cigarette production, usings of U.S. tobacco have held up well, relatively less and less U.S. leaf is being blended into cigarettes. Without the rapid rise in consumption of filter-tips (now close to 50 percent of the total) the share of U.S. leaf would have dropped even faster.

Growing consumer preference for lighter, milder blends, containing about 50 percent oriental leaf, explains part of the shift from use of U.S. tobacco. Average prices, however, paid for U.S. leaf by West German importers have increased from 42 cents per pound in 1950 to an estimated 76 cents in 1957--a rise of more than 80 percent.

Part of these increased costs reflect purchases of better grades, but German manufacturers also claim that the small crops of U.S. flue-cured produced in 1957 and 1958, and the growing of undesirable varieties in 1955 and 1956, have contributed to the rise in German auction prices for desired grades. Consequently, they are striving to obtain more non-U.S. flue-cured and other cigarette leaf in the Rhodesian Federation, Canada, Italy, India, and Thailand.

The growing trend toward increased use of substitute tobaccos is reflected in the West German import trade in flue-cured. In 1950, imports of this kind of leaf from non-U.S. sources totaled about one million pounds; in 1957, the total was over 7 million. Imports of U.S. flue-cured, on the other hand, were about the same in both years.

CIGARETTE FACTORY PLANNED FOR SINGAPORE

The Malayan Minister of Commerce and Industry has invited foreign corporations to invest in a cigarette factory in Singapore. Plans provide for the "Peoples Investment Corporation" and the "Industrial Promotion Board" to supply a minimum of 51 percent of the capital. If a foreign company cannot be interested in investing in Singapore to produce its own brand of cigarettes, the entire capital requirements of the factory are to be raised locally. The Minister of Commerce and Industry states that cigarette imports will be restricted as soon as the factory starts production.

The Minister plans to visit tobacco centers in the United States in early November to contact cigarette manufacturers and leaf suppliers.

NEW ZEALAND BROADENING MARKET OUTLETS

Aside from signing a trade pact with Japan on September 9, New Zealand is engaged in numerous trade discussions with other countries. All of these talks are a part of New Zealand's market development program, primarily for agricultural products.

Problems involving trade in dairy products have been discussed directly with Canada, South Africa, and Pakistan and at the recent Commonwealth Economic Conference in Montreal. There have been other trade talks with Sweden, Communist China, the United States, West Germany, and Jordan.

One of New Zealand's greatest handicaps in developing new markets for dairy and meat exports is the inadequacy of its refrigerated shipping facilities.

JAPANESE FRUIT CROPS AT RECORD LEVELS

Preliminary estimates of 1958 fruit crops in Japan indicate heavy production for the third straight year.

Tangerine (Mandarin) and other citrus crops are now expected to reach a new high, substantially above 1957 levels. Apple growers have overcome the biennial bearing tendency of their trees and expect a record crop this year of about 37 million boxes.

Government and producer organizations credit improved cultural practices and favorable weather for the sharp increases.

CUBAN GRAPEFRUIT EXPORTS TO U.S. LOWER

Cuban estimates of grapefruit exports to the United States have been reduced because of difficulty in meeting U.S. size and juice requirements. Lack of rain during the latter part of the growing season impaired fruit development.

European markets will take smaller size grapefruit, and Cuban exporters report that the decrease in shipments to the United States will be offset by increased sales to Europe. Latest trade estimates indicate exports of 55,000 boxes to the United States and 26,000 boxes to the United Kingdom and West Germany during the 1958-59 marketing season. Exports of an additional 10,000 boxes in processed form are also expected.

Most shipments will originate in the Isle of Pines, where the crop is about 40 percent Marsh Seedless and 60 percent Duncan. The Isle of Pines grapefruit crop during the 1958-59 season is estimated at approximately 150,000 boxes. About 50,000 boxes will be produced on the Cuban mainland.

SWEDEN INCREASES FATS AND OILS IMPORT TAXES AGAIN

Effective September 1, 1958, Sweden increased the import taxes for most fats, oils, and related products by about one-fifth. This is the third time this year the taxes have been raised, the previous effective date being July 1. The new and previous taxes are shown below:

Commodity	Import tax			
	Effective July 1, 1958		Effective September 1, 1958	
	Kronor per 100 kilograms	U.S. cents per pound	Kronor per 100 kilograms	U.S. cents per pound
Hog lard	41.50	3.6	50.00	4.4
Tallow (incl. premier jus and oleo stearin)	41.50	3.6	50.00	4.4
Animal oils and animal fats, (incl. hydrogenized, not referred to under any other stat. no.	41.50	3.6	50.00	4.4
Fatty acids, m.s.m., other than olein, wool fatty acids and castor oil fatty acid (also hydrogenated)	41.50	3.6	50.00	4.4
Stearin	48.85	4.3	57.35	5.0
Vegetable fatty oils and vegetable fats and other vegetable fat products, not referred to under any other stat. no. excl. raw linseed oil, linseed oil fatty acid, castor oil, tung oil or oiticica oil	41.50	3.6	50.00	4.4
Oleomargarine	41.50	3.6	50.00	4.4
Margarine	1/ 26.25	2.3	2/ 26.25	2.3
Artificial lard	1/ 26.25	2.3	2/ 26.25	2.3

1/ Plus an amount corresponding to 41.50 kronor per 100 kilograms (3.6 cents per pound) of fats, oils, and fatty acids contained in the product.
2/ Plus an amount corresponding to 50.00 kronor per 100 kilograms (4.4 cents per pound) of fats, oils, and fatty acids contained in the product.

Effective the same date, the domestic regulations or manufacturing tax which, in addition to the import tax, is applied to all fats and oils for food use, was fixed at 60 kronor per 100 kilograms (5.2 cents per pound). Both the import and regulation taxes are refunded for fats and oils used for industrial purposes. Sweden's domestic regulation tax, which is adjusted each month, is designed to protect the price of butter.

CANADA SETS PRICE SUPPORT FOR 1958 HONEY

The Agricultural Stabilization Board has announced a support price of 12 cents per pound for 1958 Canadian honey, white No. 1 or better grade, delivered to registered packers for resale. Deficit payments will be determined by the level of pool returns of the 4 cooperatives in Ontario, Manitoba, Saskatchewan, and Alberta. The support price is about 91 percent of the average or base price.

Canada's 1958 honey production is expected to be well below the 32-million-pound output last year and the 31-million-pound average for 1946-58.

LARGER CUBAN SUGAR OUTPUT PREDICTED

Early predictions by the Cuban sugar trade indicate that more cane may be available for harvest in 1959 than was harvested in 1958. Estimates made thus far range from 53.4 million to 57.3 million short tons from an estimated 3,526,000 acres.

How much of this cane will be cut, and how much of that cut will be made into sugar, will depend on developments in the world sugar market. A former president of the Cuban Sugarcane Growers Association, Pastor Torres, has predicted that the 1959 harvest for sugar will exceed last year's 50.4 million short tons. Sugarcane data for the past 2 years is given below.

SUGARCANE: Cuban acreage and production, 1957 and 1958

Type and year	Area	Cane	Sugar
	1,000 acres	1,000 short tons	1,000 short tons
1957:			
Total available	3,196	50,915	
Total harvested	3,111	49,551	
Harvested for sugar	3,054	48,653	6,252
1958:			
Total available	3,500	61,411	
Total harvested	3,061	53,699	
Harvested for sugar	2,852	50,385	6,372

ARGENTINE DAIRY OUTPUT
EXPECTED TO DECLINE

In spite of a mild winter and good grazing conditions, the outlook for Argentina's dairy industry is not good. Low prices for dairy products in comparison with prices for other farm commodities continue to discourage milk production. In Cordoba and the southern part of Santa Fe, many farmers are selling their cattle and planting grain.

Output of dairy products is being cut because of a shortage of milk and unattractive prices. SANCOR, a dairy organization that normally produces one-half of Argentina's butter output, recently reduced daily production from over 220,000 pounds to 77,000.

CANADIAN GOVERNMENT SELLING
ITS CHEESE STOCKS

Canada's Agricultural Stabilization Board has announced that stocks of 1958 cheese acquired under the price-support program will be offered to the trade for domestic distribution at 36 cents per pound f.o.b. warehouses. This price represents roughly the purchase cost (33.5 to 34 cents per pound) plus storage charges. Most of this cheese is held in warehouses in Montreal, Toronto, Belleville, and Cornwall. The board is offering 1958 stocks of cheese for export to the United Kingdom only, for 29 cents per pound f.o.b. warehouses.

The Ontario Cheese Marketing Board, which controls about 75 percent of the marketings in that province, has been selling first-grade cheese to the trade at 35 cents per pound and is offering its holdings of 1957 cheese for export to the United Kingdom for 29 cents per pound f.a.s. port of export.

AUSTRALIAN MILK PRODUCTION
DOWN FROM LAST YEAR

Australia produced 5.6 billion pounds of milk during the first half of 1958. This 5-percent decline from the comparable figure for 1957 was due to a dry autumn grazing season.

Factory output of dairy products reflected the reduced milk supply. Butter production was 161.6 million pounds during January-June 1958, compared with 171.9 million pounds during the 1957 period. Cheese output declined to 26.5 million pounds, almost 23 percent under the first half of last year. Stocks of butter at the end of June were 30.6 million pounds, and cheese stocks totaled 3.8 million pounds. While stocks were somewhat larger than last year they were not considered abnormally high.

Although no specific estimate of milk production for the remaining months has been made, an improvement in grazing conditions is expected to increase milk production.

WEST GERMANY'S MILK PRODUCTION AT NEW HIGH; IMPORTS OF DAIRY PRODUCTS DOWN

Milk production in West Germany during the second quarter of 1958 reached a high of 11.1 billion pounds, up 2 percent over production in the second quarter of 1957. Output of butter and cream also set a record for the quarter.

Imports of dairy products, especially butter, were low. They were valued at $14 million, compared with $21 million during the second quarter of 1957. Although cheese imports were up by 17 percent, because of lower prices, imports cost 4 percent less than in the same period last year. Over 90 percent of all cheese imported during the second quarter of 1958 came from the Netherlands and Denmark.

Imports of butter came to a little under 3 million pounds. Denmark and Sweden were the principal suppliers. In the second quarter of 1957, butter imports amounted to almost 15 million pounds.

Milk production is expected to continue above normal for the rest of 1958. No new butter import tenders have been announced, and import requirements for the next few months are expected to remain low.

IRISH BANKS OFFER MORE FAVORABLE FARM CREDIT FACILITIES

An improved farm credit system has been announced by 2 leading Irish banks, and is expected to be adopted by other banks. The system is the outgrowth of a farm credit study by Ireland's National Farmers' Association.

Irish farmers may now obtain loans to purchase tuberculosis-free, or even once-tested breeding cows and heifers, using the animals as security if they have a veterinarian's certificate. The banks indicate they will lend two-thirds of the value of the animals for 2 years at the banks' current rate of interest, presently 6 percent. The system, therefore, provides lower interest, extends the credit term, and reduces security requirements. The new plan may be broadened later as regards purpose of loans, but initially it is being restricted to the purchase of cows and heifers for breeding.

Acceptance of the plan by the commercial banks could aid the development of Irish agriculture. It would remove a major obstacle to the success of the present high-priority program to eradicate bovine tuberculosis by enabling farmers to buy replacements for reactor cows. Farm leaders and bank officials recognize the difficulties in operating the plan, but hope they can be overcome.

FRANCE HAS SMALL
DRIED PRUNE PACK

The 1958 pack of dried prunes in France is now estimated at only 3,500 short tons, considerably less than preliminary forecasts. This is less than half of the 1957 pack of 7,200 short tons. Average production (1951-55) is 8,000 tons.

French import needs in 1958-59 will be considerably larger than in 1957-58 and may approximate 6,500 tons, as shown below.

	Estimate 1957-58	Forecast 1958-59
	Short tons	Short tons
Stocks, August 1	1,100	---
Production	7,200	3,500
Imports	2,700	6,500
Supply	11,000	10,000
Exports	1,100	300
Domestic consumption	9,900	9,700
Stocks, July 31	---	---
Distribution	11,000	10,000

Yugoslavia was the main source of imports and West Germany the main export outlet in 1957-58.

Imports	Short tons	Exports	Short tons
Yugoslavia	1,999	West Germany	653
United States	658	Algeria	242
Portugal	45	United Kingdom	82
Other countries	42	Other countries	120
Total	2,744	Total	1,097

Tentative f.o.b. quotations of mid-September by French packers for new-crop prunes were:

Size (per 500 grams)	Cents per pound
30/40	81
40/50	63 to 76
50/60	57 to 70
60/70	52 to 65
70/80	46 to 57

These prices have been converted from French franc quotations at the official rate of 420 francs per dollar. At the free exchange rate these prices would be about 6 percent lower.

The French Government is making every effort to increase dried prune production. It is estimated that about 150,000 prune trees have been planted annually during the last 4 years under a program already inaugurated. The French hope to attain a production of 16,500 short tons within the next 5 or 6 years, given favorable weather. This would provide about 12,000 tons for domestic consumption and 4,500 tons for export. France is concentrating on West Germany as an outlet for potential export surplus.

WEST GERMANY ANNOUNCES IMPORT PROGRAM FOR CANNED FRUIT

West Germany has announced a global tender for imports of canned deciduous fruit to be made between November 10 and June 30. The quantity authorized was not announced.

LARGE MOROCCAN ALMOND CROP

The 1958 crop of sweet almonds in Morocco is estimated at 5,500 short tons, shelled, the largest crop in recent years. The 1957 crop amounted to only 2,200 tons, while average production in the 5 years, 1951-55, was 3,300 tons.

Normally, Morocco is but a minor factor in the international almond market, but this year its crop assumes disproportionate importance in view of the very short Italian, U. S., and Portuguese crops. The unusually large Moroccan crop is attributable to exceptionally favorable weather, freedom from locusts, and the usual sequence of a large crop after a small one.

While Moroccan sweet almond exports totaled but 1,000 short tons, shelled, in 1957-58, exports this season are expected to exceed 4,000 tons, shelled, according to the Moroccan trade.

Morocco generally exports only small quantities of almonds to the United States, but U. S. purchases may be substantial this season. The Moroccan trade hopes to sell over 1,000 tons, shelled basis, to this country.

Prices for shelled Moroccan almonds, c.i.f. New York, have been as follows: August 1, 1958--56.7 cents per pound; August 31--54.4 cents; and September 9--59.0 cents. These prices are for a standard of net 1/2-percent foreign matter, 4-percent broken kernels, and 3-percent bitter. Moroccan exporters also sell on a special New York standard of no foreign matter, $1\frac{1}{2}$-percent broken, and 2-percent bitter at a premium price about $2\frac{1}{4}$ cents per pound more than the above quotations. Europe is normally Morocco's main market for almonds.

SPAIN SETS MINIMUM EXPORT PRICES
FOR APRICOT KERNELS

Recently established minimum export prices for Spanish apricot kernels are as follows: Bullida--11.3 cents per pound; Real Fino--13.6 cents per pound.

ISRAELI CITRUS EXPORT
OUTLOOK GOOD

The Israeli Citrus Marketing Board has announced that Israel will have more citrus fruit for export during the 1958-59 season than it had last season. Exportable quantities during the coming season are now estimated at 6 million boxes of Shamouti oranges (5.2 million in 1957-58); 1,250,000 boxes of grapefruit (1,055,000 last year); 1.5 million boxes of Valencia oranges (1.4 million); and 250,000 boxes of lemons (200,000).

The Marketing Board hopes to increase total citrus shipments to the United Kingdom 10 percent over 1957-58, and shipments to continental European markets 10 to 20 percent.

ARGENTINE CORN EXPORTS RALLY

Argentine sales of corn for export rose considerably in the first 2 weeks of September, reaching some 265,000 tons. Only 64,000 tons were sold for export in the entire month of September 1957.

Demand for wheat, however, has subsided after a short rally late in August. Exports that month were 153,000 tons; 156,000 tons in August last year.

VENEZUELA USING AND
IMPORTING MORE HOPS

Beer production and, consequently, consumption of hops in Venezuela have been steadily increasing since World War II. Since that country produces no hops, its hops imports have been increasing.

Beer production increased from 57.8 million liters (492,100 barrels) to 153.9 million liters (1,311,300 barrels) from 1948 through 1957.

Venezuela's imports of U.S. hops increased from 371,037 pounds in 1955 to 399,370 pounds in 1956 and to 517,838 pounds in 1957. These quantities represent 40 percent, 53 percent, and 64 percent respectively of Venezuela's total hops imports during these years.

West Germany is the United States principal competitor in the Venezuelan hops market. Other suppliers are Belgium, Czechoslovakia, Italy, and Yugoslovia. However, West Germany's share of the total was only 27 percent in 1956 and 19 percent in 1957.

FRENCH WHEAT CROP DOWN; QUALITY POOR

Wheat production in France was much below the record of 407 million bushels in 1957, but no accurate estimate of its actual volume is yet available. Unfavorable weather delayed harvesting to the detriment of both the size and quality of the crop. Clear weather during the first half of September allowed good progress in harvesting, but sprout damage and other field losses had already taken their toll.

A wheat outturn of about 325 million bushels now seems likely, but the quality is definitely below that of 1957. Some trade observers estimate that not over 175 million bushels will be of satisfactory milling quality.

Specifications for "sound and merchandisable wheat" have been relaxed to permit a higher moisture content. The percentage of sprouted wheat permitted has also been increased; the allowable percentage is now 8 percent instead of the former limit of 5 percent.

The low quality of the crop may make it necessary to import sizable quantities of high-grade wheat. At the same time, much of the domestic crop will be used as feed within the country or exported for feed.

U. K. GRAIN CROP LARGE BUT OF LOW QUALITY

Latest reports from the United Kingdom indicate that the 1958 grain crop is still expected to be slightly larger than in 1957 but of poor quality. Supplies of good milling-quality wheat and of barley suitable for malting are expected to be scarce, and the main import requirement will very likely be for these grains.

Though grain crops are above those in 1957, poor harvesting weather has resulted in outturns somewhat below the bumper crop expected. Latest estimates place the wheat crop at about 103 million bushels, compared with 100 million bushels a year ago and the 1950-54 average of 95 million.

Barley production is tentatively estimated at about 143 million bushels, compared with 138 million last year and the 1950-54 average of 100 million. Larger acreage accounts for the increase. Oats production is estimated at 151 million bushels, very slightly above the 1957 outturn but well below the 1950-54 average of 185 million bushels. In contrast with barley, oats acreage is down somewhat from the 1950-54 average.

Since there are substantial amounts of low-quality grain in this year's harvest, a larger part of the crops will probably be fed this season, especially as livestock numbers have increased. A low-quality hay crop also increases requirements of grain for feed.

DENMARK WILL NEED MORE
GRAIN IN 1958-59

Denmark will very likely step up grain imports during 1958-59 because its 1958 production was reduced by unfavorably harvesting weather. The increase in imports, however, is not expected to match the decrease in production, as Danish farmers will probably conserve domestic supplies by cutting down on consumption, as they have done in the past under similar circumstances.

Imports of bread grains during 1957-58 were lower than in the preceding year, but coarse grains were up. Imports of the different grains during the 2 years were as follows:

Kind of grain	1956-57		1957-58	
	Metric tons	Percent from U.S.	Metric tons	Percent from U.S.
Wheat and flour (grain equivalent)	222,292	50.4	153,493	29.6
Rye	113,793	58.4	44,072	34.7
Corn	22,247	80.6	30,565	79.1
Oats	53,002	--	69,742	37.7
Barley	177,256	--	274,188	9.5
Mixed grains 1/	93,464	1/	111,153	1/

1/ Practically all U. S. grain sorghums.
Compiled from official and other sources.

CANADIAN EXPORTS OF WHEAT
AND FLOUR DOWN IN JULY

Canadian wheat and flour exports during July 1958 totaled 22 million bushels, compared with 29 million a year earlier. May and June 1958 exports of 35 and 39 million bushels, respectively, were above the 21 and 20 million exported during those months of 1957.

Western Europe, the main outlet for Canadian wheat, took about 6 million bushels less than in July 1957. Increased shipments to the Netherlands, Switzerland, and Italy did not offset smaller quantities shipped to the United Kingdom, West Germany, and Belgium-Luxembourg. On the other hand, substantial exports to India (against none in July 1957) more than offset a large reduction in exports to Japan. Western Hemisphere markets shifted slightly. El Salvador and Nicaragua took less in July 1958, while most other countries in this area took more.

The official export figure for the Canadian marketing year (August-July 1957-58) was 309 million bushels, compared with 273 million the preceding year.

Shipments in August of the current marketing year are estimated to be slightly above the 23 million bushels exported during August 1957, but those in September are expected to be below 26 million--the amount exported in September 1957.

WHEAT AND FLOUR: Canadian exports by country of destination, July 1957 and July 1958

Destination	July 1957			July 1958		
	Wheat	Flour	Total	Wheat	Flour	Total
	Thousand bushels, grain equivalent					
Western Hemisphere:						
United States	429	102	531	551	112	663
British West Indies	1/	329	329	1	436	437
Central America	53	141	194	28	72	100
Cuba	--	14	14	--	39	39
Ecuador	2	--	2	270	--	270
Venezuela	5	227	232	129	211	340
Others	--	87	87	--	242	242
Total	489	900	1,389	979	1,112	2,091
Europe:						
Belgium-Luxembourg	2,847	18	2,865	736	84	820
France	953	--	953	--	--	--
Germany, West	3,946	--	3,946	1,302	--	1,302
Italy	69	--	69	597	1	598
Netherlands	1,486	--	1,486	2,113	--	2,113
Poland	2,163	--	2,163	--	--	--
Switzerland	700	--	700	1,122	--	1,122
United Kingdom	8,154	925	9,079	5,980	1,132	7,112
Others	223	10	233	517	10	527
Total	20,541	953	21,494	12,367	1,227	13,594
Asia:						
Japan	4,924	81	5,005	2,847	13	2,860
Philippines	--	553	553	1	184	185
India	--	--	--	2,328	--	2,328
Israel	--	--	--	739	--	739
Others	39	108	147	53	176	229
Total	4,963	742	5,705	5,968	373	6,341
Africa	189	82	271	38	205	243
Oceania	--	1	1	--	--	--
World total	26,182	2,678	28,860	19,352	2,917	22,269

1/ Less than 500 bushels.

Dominion Bureau of Statistics, Department of Trade and Commerce, Trade of Canada (Ottawa).

WHEAT PROSPECTS POOR IN
UNION OF SOUTH AFRICA

Prospects for the 1958 wheat crop in the Union of South Africa are poor, according to latest reports.

Seeding was recently completed and a sharp acreage cut is reported. The reduction is attributed to a number of factors, including adverse conditions for last year's crop and heavy rains at seeding time in the Transvaal and Orange Free States, which resulted in a shift from wheat to corn.

Though it is too early to estimate import requirements for the season beginning December 1, sizable wheat imports are expected. Negotiations have begun for the purchase of 1 million bags (3.3 million bushels) of wheat in Canada.

MALAYA INCREASES RICE IMPORTS
IN FIRST HALF OF YEAR

Rice imports into Malaya in January-June amounted to 757 million pounds, 32 percent above those in the same months of 1957. Imports from Thailand, still the main source, decreased materially. The decrease was more than offset by larger rice imports from Burma, Cambodia, and Vietnam. Rice imports are expected to decline in the last half of 1958 because of large supplies on hand.

RICE (MILLED): Malayan imports, January-June 1958, with comparisons

Country of origin	1956	1957	January-June 1/	
			1957	1958
	Million pounds	Million pounds	Million pounds	Million pounds
Burma	332	155	51	156
Cambodia	0	24	6	96
Communist China	24	57	55	2
Thailand	928	924	460	443
Vietnam	0	3	0	60
Other countries	20	2/	2/	2/
Total	1,304	1,163	572	757

1/ Preliminary. 2/ Less than 500,000 pounds.

Compiled from official statistics.

COLOMBIA DEVELOPS
NEW RICE AREA

The planting of 25,000 acres of irrigated rice in northwest Colombia is planned for 1959. The new acreage, near Lorica (in the Sinu River Valley, Cordoba Department) is expected to be the most important rice area on the Atlantic Coast of Colombia.

Irrigation water will be supplied from the Sinu River, and production will be mechanized. In a recent Sinu Valley experiment on about 250 acres of rice grown under irrigation and with the use of machinery, the yield per harvested acre is reported to have averaged 3,903 pounds of rough rice, compared with the average yield of only 1,784 pounds per acres for upland rice.

GREECE WILL NEED
MORE TALLOW

U. S. tallow exports of 12 million pounds to Greece in 1957 dropped to 54,000 in the first 6 months of 1958, principally because of more lenient credit offered by Canadian exporters. Although Canadian tallow prices are now somewhat higher than U. S. tallow prices, Canada has been competing successfully as a result of the 90-day credit concession offered by Canadian exporters.

Greek tallow needs are expected to increase in 1958-59 because of lower stocks of sulphur oil and a smaller olive oil crop.

NEW ZEALAND STUDYING
CANADIAN MEAT MARKET

New Zealand is sending two Meat Board representatives to Canada to study market conditions, in line with the board's declared policy of expanding exports to markets outside the United Kingdom. New Zealand's meat exports to Canada have grown rapidly during the past year.

ARGENTINA RETURNS TO "AFOROS"

Argentina has abandoned the newly instituted system of fixed percentages for conversion of foreign exchange earned from livestock exports, and has returned to the "aforo" system previously in effect.

Under the aforo system, foreign exchange earned from exports must be exchanged at the official rate (18 pesos--$1) up to the official market value (aforo) of the exports. Any excess foreign exchange may be converted at the free rate (48 pesos--$1) (see <u>Foreign Crops and Markets</u>, August 16, 1956).

NEW MEAT PLANT IN
PHILIPPINES

A new $150,000 meat plant has recently been opened in the Philippine Republic at Mandaluyong, just outside Manila. It will cure and preserve meat products, including hams, bacon, and sausage.

The Philippines, an important market for U. S. sausage, took over 3 million pounds in 1957, almost one-half of U. S. exports. However, exports will be much less this year because of Philippine dollar exchange controls.

AUSTRALIAN WOOL PRICES FIRM AT LOW LEVELS

Australian wool prices during the week ending September 19 were steady to slightly lower compared with the previous week's levels. Prices during the first few weeks of the 1958-59 selling season have been about 9 percent below the close of the 1957-58 season in June, and 35 percent below a year ago.

The Geelong sale scheduled for the week ending September 12 was canceled, due to a lack of wool because wet weather delayed shearing. Considerable rain in recent months over most of Australia has substantially improved pasture conditions, so that this season's wool output may be higher than the preliminary estimate of 1,386 million pounds.

SOUTH AFRICAN SHEEP NUMBERS INCREASING

There were 37.5 million head of sheep in the Union of South Africa on August 31, 1956, according to the South-African Bureau of Census and Statistics. Apparently the Union's sheep numbers are now the largest since about 1943.

The 1956 inventory was made up of nearly 33.5 million wooled sheep and about 4 million hair sheep. Compared with 1955, wooled sheep numbers increased (600,000 head but non-wooled sheep decreased 130,000 head. In 1956 the Cape Province had 24.5 million sheep; the Orange Free State, 8.3 million; Transvaal, 3.3 million; and Natal, 1.3 million.

The Union has exported very little lamb and mutton in recent years. However, exports of wool range from 235 million to 260 million pounds annually.

U.S.S.R. PUBLISHES MEAT TRADE STATISTICS

Recently published Soviet statistics give U.S.S.R. meat and meat product imports for 1956 at 457.0 million pounds, 8 percent below 1955 imports. During both years, Communist China supplied over half of the imports. Meat and meat product imports during 1956 were valued at 400,723,000 rubles ($160 million), and 1955 imports at 447,767,000 rubles ($179 million).

Exports of meat and meat products in 1956 amounted to 68.8 million pounds, valued at 63,206,000 rubles ($25 million). About 24.5 million pounds of meat and meat products, valued at 23,706,000 rubles ($9 million), were exported during 1955. Czechoslovakia and East Germany were the major importers.

These statistics indicate that the Soviet Union was the world's second largest importer of meat and meat products during 1955 and 1956. They also show that Communist China is a much larger exporter of meat than previously realized.

MEAT AND MEAT PRODUCTS: U.S.S.R. imports by source, 1955 and 1956

Source	1956		1955	
	1,000 pounds	1,000 rubles	1,000 pounds	1,000 rubles
China	272,500	252,551	310,600	274,890
Rumania	50,500	46,056	18,700	17,246
Yugoslavia	25,100	22,316	19,600	17,704
Bulgaria	24,500	25,672	24,700	27,087
Poland	16,800	14,298	20,300	20,350
Mongolia	10,100	4,575	8,800	3,668
Hungary	9,500	8,764	15,200	14,367
Argentina	19,200	10,103	45,000	25,214
New Zealand	12,600	3,726	17,000	7,726
Uruguay	2,200	1,297	---	---
Other	14,000	11,365	47,700	39,515
Total meat	457,000	400,723	527,600	447,767

MEAT AND MEAT PRODUCTS: U.S.S.R. imports by type, 1955 and 1956

Type	1956		1955	
	1,000 pounds	1,000 rubles	1,000 pounds	1,000 rubles
Fresh and frozen	411,400	339,326	504,400	412,563
Poultry	5,300	6,198	6,600	8,337
Salt pork	1,100	1,642	900	1,152
Canned	31,400	43,325	18,100	25,553
Other	7,800	10,232	2,400	2,858
Total	457,000	400,723	527,600	447,767

Source: Trade Statistics of the U.S.S.R. for 1956.

CANADA SETS PORK
PRICE SUPPORTS

The Canadian Agricultural Stabilization Board announced that the support price for Grade A dressed hog carcasses at Saskatoon, Calgary and Edmonton will be $21.50 per 100 pounds. This price has been fixed to put western supports on a par with Toronto which has been set at $25. Canadian officials expect pork prices to dip near support levels this fall when large marketings are expected.

CAUSE OF FACIAL ECZEMA
FOUND IN NEW ZEALAND

New Zealand scientists have found the cause of the liver disease "facial eczema", long a scourge of the New Zealand sheep industry.

The director of the Soil Bureau of the Department of Scientific and Industrial Research, and the Superintendent of the Ruakura Animal Research Station have said that the liver-damaging toxin causing the disease is the fungus *Stemphylium botryosum*. Cultures of this fungus have been used in producing liver lesions typical of facial eczema in guinea pigs and lambs.

Losses in New Zealand from facial eczema have amounted to millions of dollars. The scientists' discovery, which promises development of control measures, may materially affect the sheep and wool industry.

SOCIET TRADE IN RAW WOOL

A recent Soviet trade publication contains comprehensive statistics on Soviet wool trade in 1955 and 1956 and throws light on the wool trade in those years between the Soviet Union and other members of the Soviet Bloc.

Total Russian imports of raw wool in 1956 were 106.9 million pounds, washed basis, compared with 102.5 million pounds in 1955. About three-fourths of the imports were coarse or semi-coarse wool and the rest fine wool. Principal sources of coarse and semi-coarse wool were Communist China, Outer Mongolia, Iran and Afghanistan. Main sources of fine wool were the Union of South Africa, Uruguay and New Zealand. Over half of the total wool imports came from Communist China and Outer Mongolia.

Soviet exports of raw wool in 1956 were 28.2 million pounds, washed basis, compared with 32.4 million in 1955. The bulk of these exports which may include reexports and exports of wool from other sources but scoured in the Soviet Union, went to East Germany and Czechoslovakia. Exports to the United States of 4.3 million pounds in 1955 and 2.1 million in 1956 may have been reexports of Outer Mongolian cashmere, as U. S. import data shows no imports of wool from the U.S.S.R. during these years.

WOOL, RAW: U.S.S.R., exports and imports, by type and countries of destination and origin 1955 and 1956

Type and country	1955	1956
	Million pounds	Million pounds
EXPORTS		
Type:		
Fine	0.4	1.3
Semi-coarse	5.1	5.7
Coarse	26.9	21.2
Total	32.4	28.2
Country of destination:		
East Germany	13.4	11.5
Czechoslovakia	10.4	10.8
United States	4.3	2.1
United Kingdom	1.3	2.0
Others	3.0	1.8
Total exports	32.4	28.2
IMPORTS		
Fine:		
Union of South Africa	6.8	11.2
Uruguay	7.5	10.1
New Zealand	2.2	6.0
Others	8.4	--
Total	24.9	27.3
Semi-coarse:		
Iran	7.1	7.5
Afghanistan	6.4	6.2
China (Mainland)	2.9	4.9
New Zealand	--	2.4
Outer Mongolia	2.0	1.8
Syria and Lebanon	--	1.5
Others	.6	--
Total	19.0	24.3
Coarse:		
China (Mainland)	29.1	23.8
Outer Mongolia	25.6	24.9
Afghanistan	2.6	2.0
Iran	0.2	0.2
Others	--	3.6
Total	57.5	54.5
Total imports 1/	102.5	106.9

Source: Foreign Trade Statistics of the U.S.S.R. (Moscow, 1958).

1/ Includes small quantities of other types of wool.

U. K. LIVESTOCK
NUMBERS RISE

Numbers of all types of livestock continued to rise in the United Kingdom during 1958. Plentiful feed and assured returns under the U. K. subsidy system have encouraged producers to increase their operations.

Cattle numbers rose 1 percent from the same date a year earlier to over 11 million head on June 1. Most of this rise was in Scotland, where numbers were 6 percent above a year earlier. Scotland also showed the only increase in breeding females whose number dropped in England, Wales, and Northern Ireland. The 4-percent reduction in cows and heifers throughout the United Kingdom indicates a leveling-off in cattle numbers within the next few years. This is not expected to affect domestic beef production in late 1958 and in 1959, as there are large numbers of calves and yearlings now on hand.

Sheep numbers, which rose 6 percent from June 1957 to June 1958, continued their rapid increase. The parallel 6-percent growth in ewe numbers points to a continued rise in sheep numbers, and in mutton and lamb production.

The 10-percent increase in hog numbers has caused increasing concern over possible over-production and weak prices. Although there are some indications that the recent reduction in the hog subsidy has caused farmers to slacken their efforts to increase production, many hogs may be expected to go to market in late 1958 and early 1959. Although bred gilt numbers dropped 12 percent, the total number of sows and gilts increased 9 percent over June of the previous year.

LIVESTOCK ON FARMS: United Kingdom, June 1954-58

Type	1954	1955	1956	1957	1958
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
Cattle	10,718	10,668	10,907	10,881	11,013
Cows and heifers	4,561	4,489	4,668	4,727	4,687
Sheep	22,873	22,949	23,594	24,797	26,333
Ewes	8,908	9,202	9,596	9,841	10,410
Hogs	6,251	5,843	5,474	5,974	6,577
Bred gilts and sows	841	683	685	746	811

ITALY EXTENDS MEAT IMPORT PERMITS

Italy has extended until November 11 permission to import cattle, beef, and cattle byproducts for the manufacture of canned, salted, smoked, or processed meats. Italian producers have protested against recently rising meat imports as harmful to the Italian livestock industry (see Foreign Crops and Markets, September 22, 1958).

AUSTRALIA RECEIVES U. K. PAYMENT

The Australian Government has announced that it received a £A275,000 ($123,000) meat deficiency payment from the United Kingdom last month. Under the Australian-United Kingdom 15-year Meat Agreement, the United Kingdom has undertaken to make up to Australia the difference between the actual price of Australian meat on the U. K. market and a guaranteed minimum.

INDIA'S 1957-58 RAPESEED AND FLAXSEED CROPS DOWN

India's 1957-58 crops of flaxseed and rape and mustard seed are down 29 and 12 percent, respectively, from 1956-57, according to final official estimates. Flaxseed output is estimated at 10,840,000 bushels from 3,318,000 acres against 15,360,000 bushels from 4,156,000 acres in 1956-57. Rape and mustard seed production is placed at 1,014,000 short tons from 6,050,000 acres, compared with 1,149,000 tons from 6,311,000 acres the previous year.

Acreage reduction in the case of both crops is attributed to inadequate soil moisture due to prolonged drought. Unfavorable weather during the growing period also contributed to the decline in production.

THAILAND'S 1958 SOYBEAN CROP EXPECTED TO ABOUT EQUAL LAST YEAR'S

Thailand's 1958 soybean harvest is expected to about equal the 1957 outturn of 1,009,000 bushels, although current low prices may influence farmers to cut back on planting. The first crop will be harvested during October and November, while the second crop will not be planted until November. The record production of 1957 was 22 percent over the 1956 level, and 45 percent greater than the 1950-54 average.

Soybean exports in 1957 amounted to 52,000 bushels, compared with the record 262,000 bushels exported in 1956. Major markets in the last 2 years were Singapore and the Federation of Malaya. Small quantities of soybean oil have been imported in recent years.

Wholesale prices of soybeans (1st quality) declined from the January 1958 average of 189 baht per picul of 60 kilograms ($4.29 per bushel) to the August average of 159 baht ($3.61). The 1957 average price was 173 baht ($3.92).

CANADIAN COTTON CONSUMPTION INCREASES IN AUGUST

Canadian cotton consumption during August 1958 was 28,000 bales (500 pounds gross). This was a substantial increase over July consumption of 19,000 bales, but 10 percent below the 31,000 bales used in August 1957.

July consumption showed the heaviest seasonal decline in several years, but consumption in August was near the average monthly level of the first 6 months (January-June) of 1958.

MEDITERRANEAN OLIVE OIL OUTPUT FORECAST AT HIGH LEVEL

Early country forecasts for the 1958-59 marketing year indicate that olive oil production in the Mediterranean Basin will total about 1.2 million short tons, approximately that estimated now for 1957-58. 1/ The total includes country estimates which are highly tentative, since the actual outturn is still subject to insect and weather hazards from now through the harvest.

Output in the European producing areas, outside Spain, will reflect an "off year" in the biennial yield cycle. In addition, adverse weather further affected the crops of Portugal and Italy. There is no evidence that the dacus fly has reduced European crops appreciably.

Spain is expecting an above-average olive crop. Spring moisture was reportedly favorable, and no adverse conditions have been reported during the summer. Estimates for 1958-59 are as high as 13 percent above last year. In the Near East and Africa, most producing countries are experiencing a good year in the biennial cycle. The doubling of production in these non-European countries, with Spain's increase, will offset the expected decline in Italy, Portugal, and Greece.

Olive oil production in the Mediterranean Basin for the marketing year 1957-58 is now estimated at 1,219,000 short tons by the Foreign Agricultural Service. This exceeds the previous estimate for 1957-58 by almost 15 percent. Upward revisions from the estimate of April 17 have been made for Italy, Spain, and Yugoslavia.

1/ More than 95 percent of the world's olive oil is produced in the Mediterranean Basin. The olive oil production and trade discussed cover all production from crushing, including non-commercial output, but not sulphur or foots oil extracted from olive residue by solvent methods.

OLIVE OIL, EDIBLE: Estimated supply and disappearance in Mediterranean producing countries, 1955-56 through 1956-57, supply forecast 1958-59

Supply and disappearance	1955-56	1956-57	Preliminary 1957-58	Forecast 1958-59
	1,000 short tons			
Supply:				
Carryover 1/	129	78	173	281
Production 2/	797	1,158	1,219	1,200
Total supply	926	1,236	1,392	1,481
Disappearance:				
Consumption	807	1,024	1,065	---
Net exports 3/	41	39	46	---
Carryover 1/	78	173	281	---
Total disappearance	926	1,236	1,392	1,481

1/ November 1 stocks for most countries; December 1 carryovers for Spain. Excludes France. 2/ Crop year production only. 3/ Calendar year exports of the latter year shown.

BRITISH EAST AFRICA PRODUCES MORE COTTON IN 1957-58

Cotton production in British East Africa (Uganda, Tanganyika, and Kenya) is estimated at 441,000 bales (500 pounds gross) for the August-July 1957-58 season. This is 3 percent above 1956-57 production of 428,000 bales. Most of the increase was in Tanganyika, where good weather and effective insect control brought about a record crop of 140,000 bales, in comparison with 111,000 bales the previous season.

Production in Uganda declined from 310,000 bales in 1956-57 to 292,000 bales in 1957-58 because of unfavorable weather early in the season. Kenya's cotton crop was 9,000 bales in 1957-58 and 7,000 bales in 1956-57.

Some increase is expected in British East Africa's 1958-59 crop, especially in Uganda. The government is encouraging larger plantings and the use of improved cultural practices.

Only about 2,000 tons of cotton are consumed annually in British East Africa, and the remaining production is exported. During August-March 1957-58 exports from British East Africa totaled 268,000 bales. Exports by country of destination are not available. However, in recent years exports have gone principally to India, West Germany, the United Kingdom, Hong Kong, and Japan.

PAKISTAN'S COTTON EXPORTS
CONTINUE DOWNTREND

Exports of cotton from Pakistan during the 1957-58 season (August-July) were 383,000 bales (500 pounds gross). This was 24 percent below 1956-57 exports of 506,000 bales, and 47 percent below the 723,000 bales in 1955-56.

Quantities exported to principal destinations in 1957-58, with comparable 1956-57 figures in parentheses, were: Japan 189,000 bales (259,000); France 83,000 (91,000); Hong Kong 33,000 (37,000); Communist China 24,000 (49,000); United Kingdom 15,000 (11,000); West Germany 11,000 (17,000); United States 11,000 (21,000); U.S.S.R. 7,000 (9,000); Belgium 3,000 (100); Netherlands 3,000 (3,000); and Australia 1,000 (2,000).

The downtrend in exports is attributed chiefly to the high prices of Pakistani cotton. For several months these prices have been above world levels as a result of a strong domestic demand, high export taxes, and expectation of larger export sales to Communist countries.

Karachi spot prices for better quality cotton have advanced by 2 to $2\frac{1}{2}$ cents a pound since March, while prices for Desi cotton have gained $3\frac{1}{2}$ to 4 cents a pound.

Spot quotations in Karachi on August 29, 1958, in equivalent U. S. cents per pound, were: 4F Punjab, S. G., Fine 19.87; 289F NT Sind, S. G., Fine 23.58; 289F NT Sind, R. G., Fine 20.90; 289F Punjab, S. G., Fine 25.49; Sind Desi, Fine 18.63; and Punjab Desi, Fine 17.74. These quotations do not include export taxes of 4.29 cents per pound for the Desi cottons and 6.16 cents for the other varieties listed.

C.i.f. Liverpool quotations for Pakistani cotton have also advanced in recent months, and in late September they were as much as 3 cents a pound higher than March levels. Quotations on September 25 were: Punjab 289F S. G. 34.50 cents per pound; Punjab LSS, S. G. 30.11 cents; and Punjab 4F, S. G. 29.53 cents per pound.

The pressure of accumulating stocks of Desi cotton was relieved somewhat by the following government measures: (1) on July 24, 1958, an export incentive scheme was announced for old-crop Desi cotton. Under this plan the exporter will be entitled to receive import licenses, for a wide range of items, equal to 10 percent of the f.o.b. value of the cotton exported; (2) barter deals were made with Communist China, Czechoslovakia, and Poland which involved about 80,000 bales of Desi; and (3) effective September 1, the export tax on 1958-59 crop Desi cotton was reduced from 80 rupees per bale (4.29 U. S. cents per pound) to 50 rupees per bale (2.68 U. S. cents per pound).

Cotton production in Pakistan during 1958-59 is estimated at 1,425,000 bales, up 4 percent from the 1957-58 crop of 1,370,000 bales. The increase is attributed to favorable growing conditions, less insect damage, and increased use of fertilizers. Indications are that the 1958-59 acreage is down slightly from the 3,565,000 acres planted in 1957-58, as a result of floods in East Pakistan at planting time.

Pakistan imported 11,000 bales of U. S. cotton in 1957-58 under Public Law 480 arrangements.

Cotton consumption continued to trend upward in 1957-58 and is currently estimated at 900,000 bales, compared with 840,000 bales in 1956-57, and 810,000 bales in 1955-56. Cotton stocks on July 31, 1958, were estimated at 310,000 bales, compared with 215,000 bales a year earlier.

FREE WORLD COTTON PRODUCTION AND EXPORTS DECLINE

Cotton production in the 1957-58 season (August-July) in principal Free World exporting countries is currently estimated at 25.5 million bales (500 pounds gross), a decline of 1.7 million bales or 6 percent from 1956-57.

The sharpest drop, of over 2.3 million bales, was in the United States, where yields were lower and there was a 13-percent decrease in harvested acreage. Crops in Sudan and Turkey were also down considerably, because of lower acreage and less favorable growing conditions. There were smaller declines in Brazil, the Belgian Congo, Burma, Peru, and Iran.

Production in 1957-58 increased in most other non-Communist countries mainly as a result of larger acreage, or more favorable growing conditions, or both. These factors contributed to substantial increases in Egypt, Mexico, and India.

Cotton exports in 1957-58 from the principal non-Communist exporting countries declined by 2.1 million bales, or 16 percent, compared with a year earlier. Principal reasons were larger stocks of cotton and cotton products in most importing countries at the beginning of the 1957-58 season; lower mill consumption; and tightening of available dollar exchange in some important importing countries, especially France, Japan, and Spain. Largest declines were in exports from the United States, Brazil, and Pakistan.

Exports increased from 6 countries, listed in the accompanying table (page 28), especially Egypt and Mexico. Exports relate to the number of months shown opposite each country for the 1957-58 season and for the same months a year earlier.

COTTON: Production and exports, principal Free World exporting countries, seasons 1956-57 and 1957-58

(Bales of 500 pounds gross)

Country	Production				Exports				
	1956-57	1957-58 1/	Change +	Change -	No. of Months	1956-57	1957-58 1/	Change +	Change -
	1,000 bales	1,000 bales	1,000 bales	1,000 bales		1,000 bales	1,000 bales	1,000 bales	1,000 bales
Belgian Congo	239	205		34	11	192	139		53
Brazil	1,325	1,250		75	12	380	158		222
British East Africa	428	441	13		9	381	318		63
Burma	75	55		20	11	60	33		27
Egypt	1,492	1,861	369		12	924	1,256	332	
El Salvador	137	161	24		12	96	116	20	
French Equatorial Africa	155	185	30		10	172	131		41
Greece	234	290	56		12	148	120		28
India	4,170	4,450	280		10	201	163		38
Iran	285	280		5	9	154	170	16	
Mexico	1,790	2,085	295		12	1,310	1,417	107	
Nigeria	135	205	70		9	65	75	10	
Pakistan	1,317	1,370	53		12	506	383		123
Peru	485	476		9	12	378	350		28
Sudan	617	225		392	12	333	391	58	
Syria	426	492	66		10	410	355		55
Turkey	670	550		120	9	160	108		52
United States	13,310	10,964		2,346	12	7,917	5,959		1,958
Total above countries	27,290	25,545	Net change	-1,745		13,787	11,642	Net change	-2,145

1/ Preliminary.

FRENCH COTTON IMPORTS LOWEST
IN 7 YEARS; CONSUMPTION UP

Cotton imports into France during the 1957-58 season (August-July) were 1,190,000 bales (500 pounds gross). This was 24 percent below 1956-57 imports of 1,576,000 bales and represented the lowest level since 1950-51. The decline resulted from tight government restrictions on cotton imports to conserve foreign exchange.

Imports from the United States were 330,000 bales, compared with 422,000 bales in 1956-57. This was a decrease of 22 percent, although the U. S. share of total French imports rose from 27 percent in 1956-57 to 28 percent in 1957-58. Over 60 percent of the imports from the United States arrived in France during the last 3 months (May-July) of 1957-58 under a Public Law 480 agreement signed in February.

Quantities imported from principal sources during 1957-58, with comparable 1956-57 figures in parentheses, were: United States 330,000 bales (422,000); French Colonies 186,000 (205,000); Syria 112,000 (100,000); Pakistan 85,000 (93,000); Egypt 74,000 (61,000); British East Africa 57,000 (20,000); Iran 55,000 (65,000); Sudan 37,000 (23,000); Peru 35,000 (40,000); Mexico 34,000 (94,000); Greece 33,000 (103,000); Belgian Congo 20,000 (61,000); U.S.S.R. 18,000 (37,000); Brazil 18,000 (29,000); Turkey 17,000 (89,000); Central America 14,000 (0); and India 11,000 (7,000).

France's cotton consumption in 1957-58 is estimated at a record 1,400,000 bales, up about 2 percent from 1,370,000 bales in 1956-57. During 11 months of 1957-58 (August-June), 1,305,000 bales were used, against 1,291,000 bales a year earlier. U. S. cotton used amounted to 294,000 bales, or 22 percent of total consumption, against 320,000 bales, or 25 percent of the total in August-June 1956-57. The use of U. S. cotton increased sharply in June, reflecting heavier imports from this source. There were decreases in the use of Mexican, Brazilian, Greek, and Turkish cotton, while the use of Pakistani, Syrian, and Iranian cotton increased appreciably.

A slightly lower demand for cotton textiles has caused some reduction in French mill activity. As a result, consumption in the 1958-59 season is expected to be somewhat below the record set in 1957-58. By April 1958, cotton stocks in France had declined to less than half the 560,000 bales held on August 1, 1957. However, there was some rebuilding of stocks in the last 3 months of 1957-58, and end-of-season stocks on July 31 were estimated at 340,000 bales.

Prices for U. S. cotton in France have declined about 3 percent since June, while prices for comparable Mexican cotton have declined 7 percent. Most other growths are 1 to 6 percent below June levels. Prices for French Colonial cotton have been steady in recent months at a level above most other comparable growths. This cotton commands a premium since it can be purchased freely for French francs.

FRENCH WEST AFRICA'S 1958-59 PEANUT CROP MAY REACH LAST YEAR'S RECORD

French West Africa's 1958-59 peanut crop is expected to be as large, or possibly larger, than the record outturn of 1957-58, judging by preliminary information. There is no indication of any reduction in Senegal, the major producing territory, and plantings were heavy in Soudan and Niger.

Preliminary estimates of the 1958-59 commercial crop (unshelled) and revised estimates for 1957-58 are given below. A fairly firm estimate for 1958-59 will be available around December 15. Some harvesting will begin about October 10, and the marketing season opens during the first week of December.

Territory	Commercial production	
	1957-58	1958-59
	1,000 short tons	
Senegal	891.2	880
Niger	155.1	165
Soudan	106.9	110
Others	23.6	45
Total	1,176.8	1,200

Although final statistics have not yet been compiled, domestic crushing from the 1957-58 commercial crop may approximate 440,800 short tons and exports, 647,700 tons. This would leave stocks of around 88,200 tons on November 31, 1958, whereas there were none a year earlier.

The commercial crop does not, of course, represent total production of peanuts in French West Africa. Significant quantities of peanuts are grown for use as seed and food or move into British or Portuguese area to be disposed of there. The following table gives a revised breakdown of total production for all purposes in 1957-58.

Territory	Commercial purchase	Seed and food 1/	Moved into British or Portuguese areas 1/	Total production
	1,000 short tons			
Senegal	891.2	187.4	22.0	1,100.6
Niger	155.1	63.9	32.0	251.0
Soudan	106.9	38.6	---	145.5
Others	23.6	38.6	---	62.2
Total	1,176.8	328.5	54.0	1,559.3

1/ Estimate.

Peanut production and acreage are gradually increasing in Senegal; food production is almost stationary; population is increasing; and Senegal's food imports are climbing rapidly. While officials are concerned over the situation, it is doubtful whether the government can enforce its policy of restricting peanut acreage.

The government is encouraging farmers to grow more millet, sorghums, and rice, and is trying to guarantee the farmer a ready market and reasonable profit for his food crops. But the success of these efforts depends on the farmer's ability to make food crops as profitable as peanuts. This appears doubtful as long as he is guaranteed an inflated price for peanuts.

Although there were indications in mid-summer of a major reduction in the producer price for the 1958-59 peanut crop, it now appears that the price will be the same as last year--21.25 CFA francs per kilogram (4.6 cents per pound), unshelled basis.

DENMARK FIXES PRICE FOR 1958 DOMESTIC RAPESEED

The Danish Ministry of Commerce succeeded on September 24 in arranging a voluntary price plan for the marketing of domestic rapeseed produced in 1958. The agreement between rapeseed producers, oilseed crushers, and margarine manufacturers is essentially as follows:

(1) Oilseed crushers will pay farmers 104 kroner per 100 kilograms of rapeseed (6.8 cents per pound).

(2) The margarine industry will use the oil from domestic seed.

(3) The margarine industry will be compensated for using the higher-priced domestic oil by an increase of 0.03 kroner per kilogram (0.02 cents per pound) in the price of margarine.

An estimated 25,000 acres will be planted to rapeseed this fall for harvest in the spring of 1959, compared with only 9,900 acres harvested in 1958. The increase in acreage is probably due to the expectation of a price scheme for the 1959 crop.

With good yields the larger acreage could reduce oilseed imports by around 10,000 short tons. Imports in 1957 totaled about 275,000 tons, of which 160,000 tons were soybeans from the United States. Thus, a 10,000-ton import reduction would be less than 5 percent of 1957 imports.

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